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BEFORE THE
ILLINOIS COMMERCE COMMISSION

IN THE MATTER OF:)
)
ILLINOIS COMMERCE COMMISSION)
ON ITS OWN MOTION)
) No. 06-0525
Consideration of the federal)
standard on interconnection in)
Section 1254 of the Energy)
Policy Act of 2005)

Chicago, Illinois
February 21, 2007

Met pursuant to notice at 1:00 p.m.

BEFORE:

MS. CLAUDIA SAINSOT, Administrative Law Judge

1 APPEARANCES:

2 MR. MICHAEL LANNON and
3 MS. STEFANIE GLOVER
4 160 North LaSalle Street
5 Suite C-800
6 Chicago, Illinois 60601
7 Appearing for Staff;

8 MR. JOHN MOORE and
9 MR. BRAD KLEIN
10 35 East Wacker Drive
11 Suite 1300
12 Chicago, Illinois 60601
13 Appearing for ELPC;

14 JONES DAY, by
15 MS. LAURA EARL
16 77 West Wacker Drive
17 Suite 3500
18 Chicago, Illinois 60601
19 Appearing for Ameren CILCO, Ameren CIPS and
20 Ameren IP;

21 MR. MICHAEL S. PABIAN
22 10 South Dearborn Street
23 Suite 4900
24 Chicago, Illinois 60603
25 Appearing for ComEd;

26 MS. SUZAN M. STEWART and
27 MS. KAREN M. HUIZENGA
28 PO Box 778
29 401 Douglas Street
30 Sioux City, Iowa 51102
31 Appearing for MidAmerican Energy Company
32 (telephonically).

33 SULLIVAN REPORTING COMPANY, by
34 Julia C. White, CSR

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I N D E X

<u>Witnesses:</u>	<u>Direct</u>	<u>Cross</u>	<u>Re- direct</u>	<u>Re- cross</u>	<u>By Examiner</u>
None .					

E X H I B I T S

<u>Number</u>	<u>For Identification</u>	<u>In Evidence</u>
None .		

1 JUDGE SAINCOT: By the authority vested in me
2 by the Illinois Commerce Commission, I now call
3 Docket 06-0525. It is the Illinois Commerce
4 Commission On Its Own Motion, and it concerns
5 consideration of the federal standards on
6 interconnection in Section 1254 of the Energy Policy
7 Act of 2005.

8 Will the parties identify themselves
9 for the record, please.

10 MR. LANNON: Appearing on behalf of the Staff
11 of the Illinois Commerce Commission, Mike Lannon and
12 Stefanie Glover, 160 North LaSalle Street, Suite
13 C-800, Chicago, Illinois 60601.

14 MR. KLEIN: On behalf of the Environmental
15 Law & Policy Center, Brad Klein. We're at 35 East
16 Wacker Drive, Suite 1300, Chicago, Illinois 60601.

17 MR. MOORE: On behalf of the Environmental
18 Law & Policy Center, John Moore, 35 East Wacker,
19 Suite 1300, Chicago, 60601.

20 MS. EARL: On behalf of Ameren CILCO, Ameren
21 CIPS and Ameren IP, Laura Earl with Jones Day at
22 77 West Wacker, Chicago, 60601.

1 MR. PABIAN: On behalf of Commonwealth Edison
2 Company, Michael S. Pabian, 10 South Dearborn Street,
3 49th Floor, Chicago, Illinois 60603.

4 MS. STEWART: On behalf of MidAmerican Energy
5 Company, Susan M. Stewart and Karen M. Huizenga,
6 401 Douglas Street, PO Box 778, Sioux City, Iowa
7 51102.

8 JUDGE SAINSOT: Are there any further
9 appearances? Okay. Let the record reflect that
10 there are none. I think I'm going to wait until the
11 police car passes before I speak again. Okay.
12 That's good.

13 To start off with, I thought you
14 did -- all did a fantastic job on the second set of
15 comments. They were very helpful to me. And I'm now
16 going to throw out an idea, and I just want to
17 know -- well, let me back up a little bit.

18 It's my impression that none of you
19 really have a problem with this federal standard --
20 that IEEE standard with certain limitations --
21 ComEd's limitation noted, specifically, and with the
22 limitation that it would only apply to a certain size

1 of generators.

2 So what I would like to do to get the
3 mechanic -- if that's correct. So you'll have to
4 advise me if that's not. To get the mechanical, the
5 easy part out of complying with the statute out of
6 the way, would be to issue a proposed order stating
7 the Commission's intention to adopt IEEE Standard
8 1547 for the pertinent size of generating the
9 facility, whatever that is, with ComEd's exceptions,
10 which are that the rule would specify any appropriate
11 exceptions or clarifications to 1547, as needed or as
12 developed during rulemaking.

13 The proposed order would also state
14 that the workshop shall be conducted. And we should
15 discuss in a few minutes workshops, time schedules
16 and what they would consist of. And, also, a
17 proposed order would issue a trial date with the
18 understanding that that, of course, would be amended,
19 just to get the mechanical aspects out of the way of
20 compliance with the federal statute. So the order
21 would say "as amended." That way, that proposed
22 order would take away the deadline part and in a very

1 legalistic fashion. Okay? But it would work I
2 think.

3 So what I need to know now is, if
4 given the language that I've bantered about, am I
5 correct that you all really don't have a problem with
6 this federal standard subject to those two criteria?

7 MR. MOORE: John Moore with ELPC, your Honor.

8 I think, in our view, 1547 alone is
9 not the federal standard. It's part of the federal
10 standard.

11 JUDGE SAINSOT: Right.

12 MR. MOORE: So that's our only, sort of,
13 significant comment on what the way we characterize.
14 So it's the foundation together with the other
15 procedural mechanical aspects of best practices that
16 are also referenced in the --

17 JUDGE SAINSOT: Right. And I think the
18 proposed order -- and don't forget this would be
19 proposed.

20 MR. MOORE: Yeah.

21 JUDGE SAINSOT: If you have a problem, you can
22 fix it up. But, ultimately, it would be an interim

1 order going to the Commission. The order would also
2 state that workshops shall be conducted for the
3 purposes -- purpose of developing other standards.

4 I just want to make sure that before I
5 go ahead and do this that I haven't misinterpreted
6 any of the comments.

7 MR. MOORE: We have a few comments on the --
8 what your first order should say, but I think we
9 should hear other parties on just what they -- what
10 their reaction is to your initial suggestion. Mike
11 looks like he's got --

12 MR. LANNON: I was just going to ask a
13 clarification. Staff doesn't have a -- you know,
14 doesn't object to anything you've said or, you know,
15 we agree with everything you've said so far.

16 I'm just wondering, this PO your
17 talking about, it would adopt a federal standard with
18 the caveat you've already explained and initiate some
19 workshops. But I take it the question of how to
20 implement the federal standard -- whether it's a
21 tariffing regime, whether it's rulemaking or --

22 JUDGE SAINSOT: Right. It would be open.

1 MR. LANNON: -- that would be -- that would not
2 be a subject of this proposed order but would be
3 dealt with subsequently?

4 JUDGE SAINSOT: Right. And I think the --
5 right.

6 MR. LANNON: Okay.

7 JUDGE SAINSOT: I think -- just to be clear, I
8 think the proposed order would only state that it is
9 the Commission's intention to adopt these -- this
10 standard because I think that's all the statute
11 really requires, is some statement of intention; and,
12 again, subject to those two sets of caveats.

13 Just to get the deadline out of the
14 way --

15 MR. LANNON: Right.

16 JUDGE SAINSOT: -- this is not -- that's why it
17 will also say instead of a trial date, but as is
18 amended, also, need be. So -- and it is, again, a
19 very legalistic way of looking at it. But it gets
20 the deadline out of the way, which is always a good
21 thing for lawyers.

22 MR. LANNON: Yeah. I just have one follow-up

1 question, your Honor. Again, this is Michael Lannon
2 from Staff.

3 The workshops, then, would they be
4 oriented towards working out the implementation of
5 the standard; or did you have something else in mind
6 for the workshops?

7 MR. MOORE: And I can also jump in on that,
8 your Honor, as well, with a comment.

9 JUDGE SAINSOT: Go ahead.

10 MR. MOORE: Well, I think it's useful to
11 remember, first of all, that the Commission held a
12 workshop a couple years ago; is that right -- 2004 --

13 MR. KLEIN: 2004.

14 MR. MOORE: -- I believe. And that information
15 is out there and available. And in that workshop,
16 the Commission asked a series of questions and asked
17 the participants. And there were actually something,
18 like, 50 to 60 people who attended this
19 interconnection workshop focused on the same issue to
20 address.

21 So our recommendation would be that
22 the order direct the parties to address a series of

1 questions, and we'd even -- we would suggest that
2 those questions address the issues that were in our
3 draft order attached to our new reply comments, such
4 as the desirability of technical screens, fees and
5 costs, timelines, standard forms agreements,
6 nondiscriminatory agreement terms, dispute
7 resolutions and that so the workshop would focus on
8 those kinds of issues, which all are in addition to
9 1547.

10 JUDGE SAINSOT: Right.

11 MR. MOORE: And then that you -- and you would
12 direct, following the workshop, for the Staff to
13 issue a report, you know, summarizing the workshop
14 results and moving forward from there.

15 JUDGE SAINSOT: Is there any reason Staff -- is
16 there any reason why Staff has to do it? Well, I
17 guess we usually --

18 MR. MOORE: I only say that because that's what
19 happened last time. The Staff issued a report
20 following the workshop in 2004 and made some sort of
21 a summary.

22 MR. LANNON: Yeah. And I don't want to spend

1 too much time on this report, but --

2 MR. MOORE: Yeah.

3 MR. LANNON: -- I take it that would be some
4 sort of agreed to report; or if it's not agreed to,
5 the report would contain some allowance for
6 exceptions to the report --

7 MR. MOORE: Right.

8 MR. LANNON: -- something like that.

9 MR. MOORE: Frankly, we could have the workshop
10 and then have a status conference after the workshop.

11 MR. LANNON: Now, John, the question I have is
12 your lists of issues. Would we be addressing those
13 lists of issues in the workshop within the context of
14 implementing the standard via any particular routes,
15 say, tariffing or rulemaking; or would those issues
16 be addressed without any focus?

17 MR. MOORE: No. I mean, I think the ELPC
18 supports the tariff procedure; but I think we need to
19 hear from Utilities on what their view is on that.

20 But we supported the idea you proposed
21 in your new reply comments. In fact, we go -- we
22 suggested a way to make the workshops more useful is

1 for the Utilities to file something ahead of the
2 workshops that address those points so that we have
3 something to work from in the workshop. You know,
4 for example, do the Utilities have timelines and fees
5 now? Do the Utilities have standard agreements. And
6 to the extent they don't, they can address why, why
7 not; and that would form the basis for discussion at
8 the workshop.

9 MR. LANNON: Okay.

10 JUDGE SAINSOT: I think you're being very
11 optimistic when you use "workshop" in the singular.

12 MR. LANNON: Yes.

13 MR. MOORE: Yeah, I think that's right -- one
14 or two; but I can understand a couple. We've had a
15 workshop before, and there are moral codes out there
16 already. The first workshop was, I think, very
17 effective. It went nearly all day down in
18 Springfield. Good participation from all parties.
19 We had, I think, 15 to 20 people from the generation
20 industry come along with 30 or 40 from the Utility,
21 Staff, technical people were there.

22 And I think, your Honor, having set

1 1547 as the basis of the foundation, that already
2 sort of takes out one chunk of the issues. Then
3 you're left with sort of the rest of the framework of
4 procedures that are in other states and other moral
5 codes. So maybe it's two workshops. Just, you know,
6 we'd like to try to conclude something before the
7 decade is over.

8 MR. LANNON: Yes, I would certainly agree with
9 that; but I do think we should give ourselves a
10 sufficient -- a sufficient amount of time, whether
11 it's two or three.

12 MR. MOORE: Right.

13 MR. LANNON: We can work that out, as we work
14 through the issues.

15 JUDGE SAINSOT: Yeah, I must say I thought that
16 you all had a more firm basis. You had some idea of
17 what -- or you do have some idea, but a firmer idea
18 of what the workshops should entail. So maybe we
19 should discuss that now so we have some idea of --
20 workshops can be a free-for-all, or they can be
21 useful; and I'd rather have them guided a little bit.

22 MR. MOORE: Your Honor, that's why I suggested,

1 perhaps, the order should say the workshops, plural,
2 should address, you know, among other things, the
3 desirability of different technical screens for the
4 different levels of interconnection that several of
5 us discussed in comments; whether or not there should
6 be standardized fees associated with interconnection;
7 whether or not there should be timelines, application
8 and response timelines for different interconnections
9 and then dispute resolution and a standard forms
10 agreements. So if you address those questions and
11 any others that anyone else has, you can -- that, we
12 would suggest.

13 And I think some of those -- Brad,
14 correct me if I'm wrong -- some of those were
15 addressed in the last workshop, as well.

16 MR. KLEIN: Yeah, I believe that that's right.

17 MR. PABIAN: Your Honor, ComEd has -- ComEd has
18 no objection to that. I mean, that sounds like a
19 sensible categorization of the issues with, I think,
20 perhaps, the addition of the final issue being the
21 method of presentation of those; whether it's tariff
22 or rule or Web site or whatever -- or some

1 combination of those.

2 MR. LANNON: And I'm just trying to get this
3 clear in my own mind. Are we considering, then,
4 addressing the issues, as ELPC has laid them out in
5 their new reply comments; and then, lastly,
6 addressing what my mind might be a threshold issue of
7 how we would implement?

8 MR. PABIAN: Well, I would think that -- and I
9 know people are -- I would think four of the parties
10 in this docket with, perhaps, ELPC not objecting too
11 much, are of the position that individual companies
12 may reasonably implement things differently, albeit,
13 still in a reasonable and nondiscriminatory fashion.

14 And it may be that how each company
15 ends up, perhaps if there's a consensus in the group,
16 that, you know, we have maybe three different
17 implementation schemes, if you will, but that all of
18 them are okay. There may be, also, different methods
19 of presenting those whether by a comb- -- some sort
20 of diff- -- maybe even different combinations of
21 tariffs Web sites or whatever. So it may be -- it
22 may make some sense to see where -- if we're all sort

1 of in a -- in a -- I think we all kind of agree that
2 that the Utilities have an obligation to accommodate
3 interconnection in a reasonable and nondiscriminatory
4 fashion; that if we're at some sort of consensus as
5 to how the companies can do that in, perhaps,
6 somewhat a slightly different fashion, then the end
7 result of how that's presented could be different, as
8 well. So it might make sense to make that the last
9 item.

10 MR. LANNON: Okay.

11 MR. MOORE: I agree with that.

12 MS. EARL: Laura Earl for the Ameren companies.

13 I don't have any objection to the
14 proposed order, as you suggested, adopting the
15 federal standard. And it seems that the -- all of
16 the parties can certainly come to an agreement on the
17 issues to be addressed in the workshop. At this
18 point, I don't know that -- I would certainly like
19 some time to confer with my client to discuss exactly
20 which issues are most important and in which order.
21 I don't know that that needs to be in the proposed
22 order, but we could also hammer that out through

1 exceptions.

2 JUDGE SAINSOT: You may very well have issues
3 that wouldn't be covered in the proposed order's
4 litany of things. Because as you discuss things,
5 things may occur to you that didn't occur to you
6 before. So I don't think it has to be a complete
7 list. I just want some direction for the workshops.
8 I mean, this isn't -- at this point, this isn't --
9 this will be off the record. It's, you know, it's
10 not a federal case. It's more of a question of
11 meeting of the minds or discussing pros and cons.

12 One thing that occurred to me, as I
13 was reading your comments was, in -- this is just
14 something I throw out there -- is maybe instead of
15 tariffing a very broad rule, a rule that
16 encompasses FERC; because some of these
17 companies are -- the electric companies are using
18 FERC standards. Some are using UL standards. And
19 there are other standards out there, too, like PJM.
20 So a very broad rule would cover those like a code.

21 MR. MOORE: Perhaps. I think the problem
22 you're going to run into is that you don't want the

1 ICC jurisdiction to seep into what FERC is doing. I
2 mean, the goal here is to fill in a gap with
3 interconnections that aren't covered by the FERC --

4 JUDGE SAINSOT: Right.

5 MR. MOORE: -- slash, PJM --

6 JUDGE SAINSOT: Right.

7 MR. MOORE: -- standard.

8 JUDGE SAINSOT: Right.

9 MR. MOORE: It doesn't mean you can't use it as
10 a basis for developing --

11 JUDGE SAINSOT: Right.

12 MR. MOORE: -- standards.

13 JUDGE SAINSOT: That's just a suggestion --

14 MR. MOORE: Okay.

15 JUDGE SAINSOT: -- that -- and the other
16 thing -- well, two things:

17 If we did workshops, would I be at the
18 workshops? Would you feel comfortable with me there,
19 honestly? I don't know that I would, if I were in
20 your shoes. So feel free to say "no."

21 MR. PABIAN: Your Honor, I think most of the
22 time, workshops are conducted without --

1 JUDGE SAINSOT: Right.

2 MR. PABIAN: -- without an ALJ present.

3 MR. LANNON: There -- yeah. There may be an
4 inclination to be more reserved if you are there,
5 your Honor.

6 JUDGE SAINSOT: Yeah, sure. That's why I bring
7 it up.

8 MR. PABIAN: It would cut down on the
9 profanity, I know that.

10 JUDGE SAINSOT: The other thing that comes to
11 mind -- and this is why I thought of sitting in, but
12 I'll take your suggestion and won't -- is I'm a
13 little unclear as to how tariffing would work. So
14 there are some contracts, I understand; but tariffing
15 is a little more complicated to me. So just keep
16 that in mind that somewhere along the line, if we go
17 with tariffing, you may have to walk me through with
18 what -- it's not so much that I don't understand what
19 a tariff is, is I don't know what you would be
20 tariffing; whether there would be standard tariffs
21 for different kinds of things; whether there would be
22 a contract as well as a tariff; or I just am not sure

1 what that means.

2 So -- all right. So we've decided
3 that we can conduct workshops. What do when we're
4 done with the workshops?

5 MR. KLEIN: This is Brad Klein from ELPC.

6 Just to back up one quick step and
7 maybe respond to the question about a tariffing
8 procedure. One idea would be to look at the
9 procedure that FERC used to require tariffs on the
10 federal level and use that as an example or model as
11 to what could be done here.

12 MR. LANNON: Yeah. And, your Honor, I believe
13 the workshops would -- could -- if we were inclined
14 to go the tariffing route, the workshops could be
15 utilized to answer those specific questions you just
16 raised as to exactly what would need to be tariffed
17 and, perhaps, what wouldn't.

18 MR. PABIAN: Your Honor, I think that's
19 probably right. I mean, hopefully, we would explore
20 those issues in detail and try to come to some sort
21 of consensus on -- to come back to you with -- at
22 least attempt to do that. And if not, maybe to

1 identify the specific questions that still remain.

2 JUDGE SAINSOT: So we'll have a status hearing,
3 and I'd ask you, maybe, what you had come to
4 consensus about.

5 MR. PABIAN: Right. I mean, I think -- I would
6 think -- hope -- I would hope that we could put in
7 the report some sort of agreed-upon approach to this
8 including, you know, maybe even some draft tariff
9 language, if we go -- if a tariff is a consensus
10 among the group or tariffs, if you will. And it
11 could be -- like I said, it could end up being some
12 combination of tariff and -- but whatever that is,
13 you know, I would hope that we would discuss the
14 substance. At least attempt to look at the substance
15 of those things, as well. And the report would
16 indicate what we've discussed and, hopefully, some
17 resolution of those particular issues.

18 MR. LANNON: Yes, your Honor. Staff would
19 agree with the ideas ComEd has just articulated. I
20 think a report prior -- you receiving a report prior
21 to the next status hearing --

22 MR. PABIAN: Right.

1 MR. LANNON: -- would help fill you in on
2 exactly where we're at. Now, we may have issues
3 outstanding that may have to come back to you --

4 MR. PABIAN: Right.

5 MR. LANNON: -- in some form. We don't have
6 any idea, but that's --

7 JUDGE SAINSOT: Right.

8 MR. LANNON: -- what we'll figure out in the
9 workshop. And, hopefully, we can come to some sort
10 of agreed report. If we can't come to an agreed
11 report, then people will have an opportunity to
12 articulate what they don't agree with. You know,
13 something along those lines is what I'm thinking of.

14 JUDGE SAINSOT: So this could be a joint effort
15 report?

16 MR. PABIAN: Right.

17 JUDGE SAINSOT: That would be good.

18 Okay. So I guess the next step is to
19 pick some sort of dates for workshops. I'm not -- I
20 mean, do we really have a to have the workshops after
21 the proposed order comes out, or we can just continue
22 the workshops?

1 MR. PABIAN: We --

2 MR. LANNON: Yeah.

3 MR. PABIAN: No, I don't think we have to wait.

4 JUDGE SAINSOT: I don't either. I mean, it

5 looks nicer because it flows better; but it kind of

6 seems kind of unnecessary.

7 MR. LANNON: No, I don't think there's any

8 reason to wait.

9 MR. PABIAN: I don't think there is.

10 MR. LANNON: We pretty much know what the

11 proposed order is going to be based upon what you've

12 said here today, and I think we could probably get

13 started.

14 JUDGE SAINSOT: But most important is that

15 trial date that we may continue, just to get it in

16 the proposed order, because that's what the statute

17 says we have to do.

18 MR. LANNON: Would that -- now that you raise

19 that, would that be a trial -- an evidentiary hearing

20 date for --

21 JUDGE SAINSOT: Right.

22 MR. LANNON: -- after the workshops?

1 JUDGE SAINSOT: Right.

2 MR. LANNON: Okay.

3 JUDGE SAINSOT: Right. And, again, that's -- I
4 mean, you may not -- you may not need it. But, you
5 know, that's what the statute says. So...

6 MR. LANNON: Right.

7 JUDGE SAINSOT: So why don't I give you five
8 minutes to figure out workshop dates and then --
9 maybe two or three -- and then some -- and then some
10 Staff -- the Staff report date and then a trial date.

11 MR. PABIAN: Okay.

12 JUDGE SAINSOT: And then I guess after the
13 Staff report, a few days after that, we should have a
14 status hearing.

15 MR. PABIAN: We're off the record now?

16 JUDGE SAINSOT: Yeah.

17 (Whereupon, a discussion was had
18 off the record.)

19 JUDGE SAINSOT: Okay. Workshops are going to
20 be conducted at 9:30 a.m. on April 4th, April 25th
21 and May 16th. Staff -- a Staff report we'll issue on
22 June 20th. A status will be conducted on June 26th

1 at 1:00 o'clock p.m. And the trial, if there is one,
2 will be on July 10th at 10:00 a.m.

3 Anything to add to that?

4 MR. LANNON: Your Honor, I would just mention
5 that the first workshop will be held in Chicago -- in
6 Chicago. That's the April 4th one. The second one
7 will be held in Springfield. That's April 25th. And
8 the third one will be back in Chicago on May 16th.

9 JUDGE SAINSOT: Okay. Thanks.

10 I'm just thinking that here, someone
11 is going to have to notify Vicki of those dates.

12 MR. LANNON: Yeah. I'll do that, your Honor.

13 JUDGE SAINSOT: Okay. Anything else?

14 MR. LANNON: Nothing from Staff.

15 JUDGE SAINSOT: Okay. Thanks. Have good day,
16 everybody. And, again, those comments were really
17 good.

18 (Whereupon, the above-entitled
19 matter was continued to sine
20 die.)

21

22